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MMARS Policy: Payroll

Issue Date: July 1, 2004

Date Last Revised: November 1, 2006

Types of Payments: Prior Year Payroll Payments

Executive Summary

Prior year payments are authorized expenses that were incurred in a prior fiscal year but the Department did not recognize that these expenses were incurred or the expenses were recognized after the end of the accounts payable period.

Prior year payroll is a Department's payroll that is to be paid out of the Comptroller's prior year account in the current or prior fiscal year. Department's current fiscal year account is charged back by the Office of the Comptroller in order to support the expenditure.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Examples of Prior Year Payments

Listed below are examples of prior year payroll payments that are usually errors (failure to act) on the part of the Department, discovered at a later date through an audit or as raised by an employee or supervisor:

- Neglected to award a step increase based on employee's anniversary date;
- Calculated a promotion incorrectly;
- Used the wrong salary chart to calculate an annual pay increase;
- Didn't pay overtime when it was earned;
- Didn't pay vacation cash out to a terminated employee.

Internal Controls

Information Sources

- Related Procedure – None
- Legal Authority
 - Comptroller Memo #279 “Procedures for Payment of Prior Year Deficiencies” as amended
 - Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
 - Massachusetts General Laws, Chapter 29, Sections 26 and 27
- Attachments - None
- Links - None
- [Contacts – CTR Help Desk](#)
- **November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.